

REDEVELOPMENT AGENCY OF MIDVALE CITY

2013

Annual Report



The 2013 Annual Report for the Redevelopment Agency of Midvale City is submitted herewith. Utah State Law requires Community Renewal Agencies submit a report in accordance with Utah Code Sections 17C-1-402(9)(b) and 17C-1-603. This report, which fulfills this request, presents the assessed values and estimated tax increment for each of the Agency's project areas. The report also provides an update on the investment of tax increment and private capital to promote economic development and provide housing within Midvale.

Bingham Junction Project Area

Summary

On August 10, 2004, the Redevelopment Agency of Midvale City Board of Directors adopted the Bingham Junction Project Area. The project area consists of 390 acres on the City's west side. It is bound by the Midvale boundary on the north, 700 West/Holden Street on the east, 7800 South on the south and the Jordan River on the west.

History

The Bingham Junction Project Area consists primarily of the Midvale Slag Superfund Site. Between 1871 and 1958 there were five separate smelters located on or near the property that processed ore from Bingham Canyon, Kennecott Copper and other mines. The smelter operations and waste materials resulted in contamination of the soil and groundwater. In 1991 the Environmental Protection Agency placed the property on the National Priorities List, the Agency's list of top priority Superfund sites.

By 2007 the completion of major cleanup activities on the site ultimately removed the property from the National Priorities List. The remediation plan imposed by the EPA cleaned up the property but left it subject to the requirements of Institutional Controls. These constraints impose extraordinary costs associated with developing the site. In addition, the industrial property had been abandoned for over 20 years and lacked the basic infrastructure of roads and sidewalks as well as water, sewer and storm drain service. The Bingham Junction Project Area was created to provide tax increment financing assistance.

Assessed Values and Tax Increment

With approval by the Taxing Entity Committee the Bingham Junction Project Area budget provides for collection of 80% of the property tax increment generated for a period of 25 years. The primary purpose of the project area is to address the extraordinary costs imposed on the property as a former Superfund site as well as the construction of infrastructure to prepare the area for development activities. The Total Assessed Value for the Project Area increased significantly once cleanup of the property was completed and the property was cleared for reuse. This growth in value has continued as the infrastructure has been installed and development has occurred.

Term: 25 Years

Base Year: 2004

Trigger Year: 2009

Remaining Term:

21 Years

Bingham Junction Project Area

Tax year	2004 Base Year	2012	2013 (Estimated)	2014 (Estimated)
Total Assessed Value	\$3,899,414	\$173,887,362	\$194,172,155	\$242,715,194
Tax Increment Collected		\$2,073,445	\$2,403,069	\$3,016,148

FLSmidth

As part of their second phase of development, FLSmidth finished construction on a third building expanding their overall operations. The LEED Certified building connects to the existing office building with an atrium and provides an additional 68,000 square feet of office space. Headquartered in Denmark, FLSmidth is the world's leading supplier of equipment and services to the minerals and cement industry. Their presence in Midvale represents a consolidation of their Utah operations into a new global minerals technology center.



Staybridge Suites

Staybridge Suites officially opened a new, 93-room hotel in October, 2013. The hotel features a full service spa, outdoor pool and health club as well as a business center, small meeting rooms and a ball-room.



Savage

Founded in Utah County, Savage is a North American leader in the service and supply chain management services. Specializing in electric power generation, coal production, oil refining, railroad, chemical and other industries, Savage is moving their headquarters to Midvale's View 72 Corporate Center. Currently under construction is the first phase consisting of a 80,000 square foot office building.

Retail Shops

The Gardner Company is currently constructing two retail buildings at the southwest corner of 7200 South and 700 West. The buildings consist of 9,000 square feet and are scheduled to be completed in early December. Current tenants include Dunkin' Donuts and Jimmy John's.



TRAX Crossing

The RDA is providing funds for a pedestrian crosswalk across Bingham Junction Boulevard along the TRAX line. The improvements will allow safe access for riders coming to and from the light rail station by stopping pedestrians from crossing the tracks as trains are approaching and providing a designated crosswalk.



7200 South

Midvale City received \$1.5 Million in funding for improvements to 7200 South between I-15 and the Jordan River. The project will realign the curbs and medians to provide an additional lane of traffic and reduce congestion through the corridor. It also includes landscaping of the slopes and medians.



Progressive Insurance

Breaking ground on the north end of Bingham Junction is a 21,000 square foot building for Progressive Insurance. The new facility will serve as a service center for customers to come and initiate claims. Through a reimbursement agreement with the developer, the RDA is reimbursing the incremental costs of constructing helical piers within the foundation to compensate for the soils condition on the property.

Pedestrian Bridges

In October, 2013 two pedestrian bridges were installed across the Jordan River. The bridges connect the overall trail system within the Bingham Junction area with the Jordan River Parkway trail. Funding for the project came from the Gardner Company and the RDA with in-kind services provided by FLSmidth.



Residential Development

Under Construction:

Central 72 - Holmes Homes
124 townhome residential units

East Riverwalk – Candlelight Homes
126 single family homes

Rooftops – Solstice Homes
130 condominium townhome units

Highland Gardens - Destination Homes
102 condominium townhome units

Residential Development

Planned:

Canyon Crossing – Housing Plus
180 apartment units

Kimpton Square – Henry Walker Homes
75 single family homes

Wasatch Housing – Lofts at 7800
192 apartment units



Jordan Bluffs Project Area

Summary

On August 10, 2004, the Redevelopment Agency of Midvale City Board of Directors adopted the Jordan Bluffs Project Area. The project area consists of 268 acres on the City's west side. It is bound by 7800 South on the north, Holden Street and Main Street on the east, the Midvale City boundary on the south and the Jordan River on the west. The Agency has not pulled the trigger on the collection of tax increment.

History

The Jordan Bluffs Project Area consists primarily of the Sharon Steel Superfund Site. In 1902 the United States Mining Company started operation of their copper smelter on the property. Byproducts of ore processing that contained high levels of arsenic and lead from the milling operations were deposited to a waste tailings pile on the west end of the property. Between 1982 to 1990, investigations conducted by local, State, and Federal agencies determined that soils on the Sharon Steel property, as well as on nearby residential and commercial properties, had arsenic and lead concentrations at levels that posed unacceptable risks. In 1991 the site was officially listed on the EPA National Priorities List.

The EPA conducted cleanup operations on the site throughout the 1990's which resulted in capping the tailings piles with a flexible membrane liner. Because of a high level of contamination and the fact that the contaminated soil remains on the site beneath a cap system there are extraordinary costs associated with developing the property in the future. The property has been vacant for over 25 years and will require massive amounts of additional fill material and infrastructure costs for redevelopment. Over the past nine years the ownership group has conducted further investigations and preliminary placement of fill material has been done to test compaction on the site. Currently the ownership group is working to determine the potential for redevelopment of the property.

Assessed Values and Tax Increment

With approval by the Taxing Entity Committee the Jordan Bluffs Project Area budget provides for collection of 100% of the tax increment for 25 years with a 20% rebate back to the Taxing Entities. The primary purpose of the project area is to address the extraordinary costs imposed on the property as a former Superfund site as well as the construction of infrastructure to prepare the area for development activities.

Term: 25 Years

Base Year: 2004

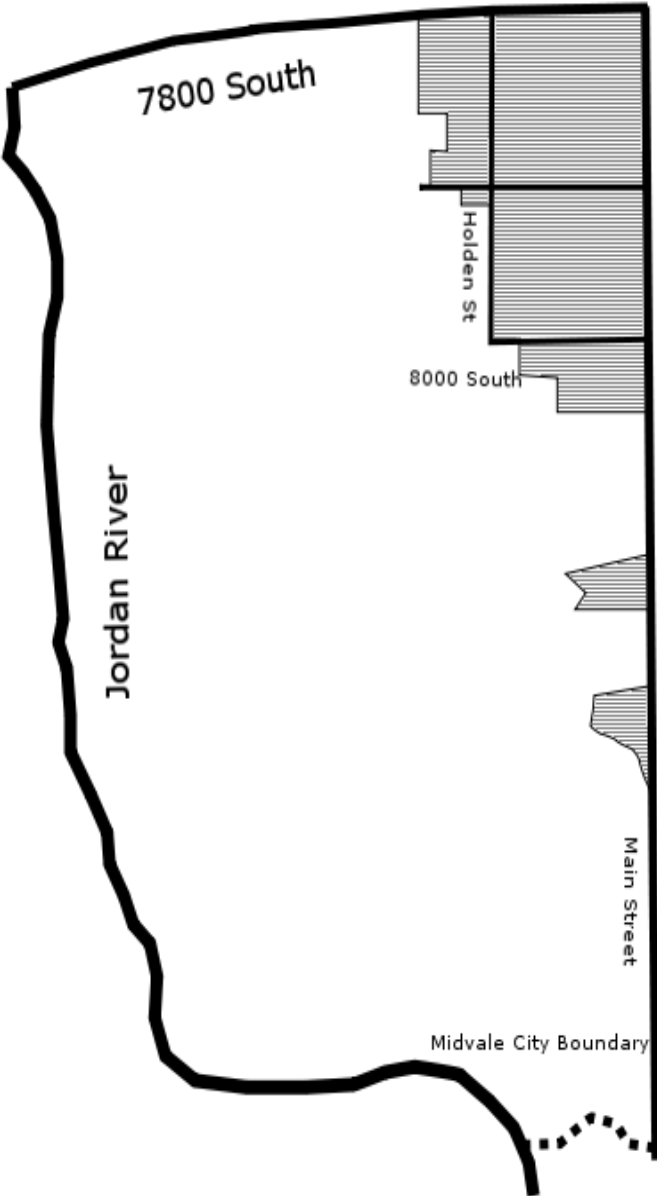
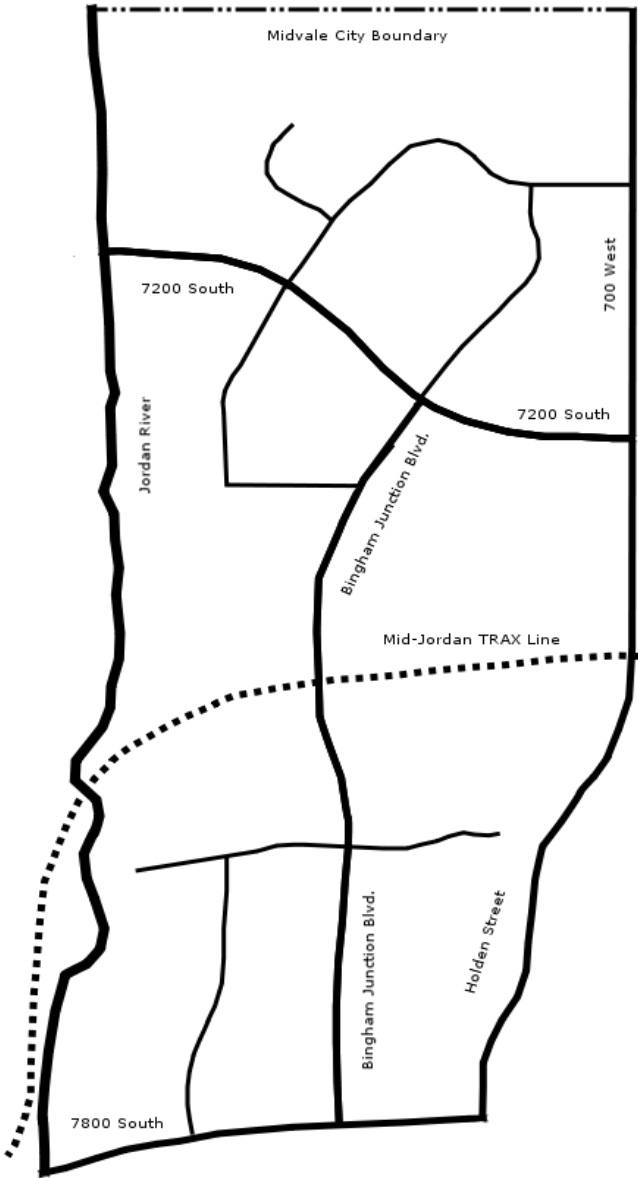
Trigger Year: N/A

*Remaining Term:
25 Years*

Jordan Bluffs Project Area

Tax year	2004 Base Year	2012	2013 (Estimated)	2014 (Estimated)
Total Assessed Value	\$3,516,366	\$12,981,059	\$13,026,540	\$13,091,673
Tax Increment Col- lected	N/A	\$0	\$0	\$0

Bingham Junction Project Area Map



Jordan Bluffs Project Area Map

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Chief Administrative Officer

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MIDVALE